

LGPS Governance Policy Statement 2015

The LPFA was established as a Public Body on 31st October 1989 by 'The Local Government Reorganisation (Pensions etc.) Order 1989' [SI 1815]. The Order is the primary instrument for the LPFA's powers and duties, which in the context of the Fund administration are very similar to those of local government authorities.

The LPFA is an administering authority of the local government pension scheme (LGPS) and this Policy Statement is made pursuant to Section 55 of The Local Government Pension Scheme Regulations 2013. The LPFA has also adopted the Local Code of Corporate Governance reflecting the six fundamental principles of good governance, as identified in the CIPFA/Solace guidance. This Code captures the full range of LPFA's statutory responsibilities and governance activities. It can be accessed from the LPFA web site www.lpfa.org.uk.

Appointments to the Board, and thereby the assignment of voting rights, are the responsibility of the Mayor in accordance with the provisions of SI No. 1815 which require there to be between seven and eleven members, of which one half, excluding the chairman, are to be appointed following consultation with representatives of local government in London.

The appointment process is operated by the Greater London Authority, and is by open advertisement and subject to independent scrutiny. The terms and conditions of appointment are set out in a formal letter which includes the length of appointment, remuneration, and details of the role and responsibilities of members.

The LPFA Board operates under a framework of corporate governance and undertakes its responsibilities with reference to Standing Orders, which are similar to those found in all local authorities and prescribe all activities relating to the conduct of Board business. These Standing Orders are incorporated into the Authority's Constitutional document and represent the fundamental underpin of corporate governance; they may only be amended by formal approval of the Board.

The Constitutional document details matters reserved for decision by the Board and outlines the terms of reference of the 5 principal standing committees ~ Investment, Audit, Risk, Business & Administration and Remuneration & Nomination. The governance arrangements of the LPFA are monitored and reviewed by the Audit Committee as part of the arrangements for internal control.

The Committees have certain delegated powers and are empowered to carry out specific duties set out in their terms of reference and these are shown in the Constitutional document which can be accessed from the LPFA web site www.lpfa.org.uk

All meetings of the Board are open to the public. Currently the Board meets five times a year, and the main Committees at least four times with the exception of the Business & Administration Committee which operates on a more flexible basis.

The principal officers of the LPFA have certain statutory and formal responsibilities. Executive powers are delegated to the principal officers under scheme of delegations which sets the parameters within which the officers can implement Board and Committee decisions and operate the day-to-day business of LPFA.

Following changes made to the LGPS Governance Regulations by the Public Service Pensions Act 2013, a Local Pension Board was established. This is a new layer of governance containing member and employer representatives. It is designed to assist with securing compliance with the LGPS regulations. The Local Pension Board is not a decision making body but works alongside LPFA's decision making Board.

Member representation also continues to be facilitated through the use of the annual

Fund Member Forum. All members of public are invited to attend the public part of the Board meetings as observers.

This policy statement will be reviewed annually, and revised and re-published following any material change in the above arrangements.

Approved by Board 2nd February 2006

Revised 5th October 2006,

Revised 7th February 2008

Revised 9th October 2008

Revised 7th October 2010

Factually updated by CMT in August 2013

Revised 28th May 2014, factual changes approved by CMT on 17th June 2014

Revised 7th May 2015 by LPFA's Board following the implementation of the Local Pension Board. Consulted – no comments received.

Governance Compliance Statement

Guiding principles	LPFA position
<p>Structure</p> <p>a. The management of the administration of benefits and strategic management of fund assets clearly rests with the main committee (LPFA Board) established by the appointing council.</p>	<p>Fully compliant.</p>
<p>b. That representatives of participating LGPS employers, admitted bodies and scheme members (including pensioner and deferred members) are members of either the main (LPFA Board) or secondary committee (LPFA's sub-committees) established to underpin the work of the main committee.</p>	<p>Fully compliant</p> <p>This is achieved via establishment of Local Pension Board</p> <p>The LPB is created by the LGPS Governance Regulations 2014 and as such is distinct from the rest of the LPFA's Standing Committees. There are total of four representatives from within the Fund membership and from participating employers on the LPFA Local Pension Board.</p>
<p>c) That where a secondary committee or panel has been established, the structure ensures effective communication across both levels.</p>	<p>Fully compliant.</p> <p>This is achieved via coordination and support services provided by the Board Secretary.</p>
<p>d) That where a secondary committee or panel has been established, at least one seat on the main committee is allocated for a member from the secondary committee or panel.</p>	<p>Fully compliant in regards to LPFA Standing Committees.</p> <p>The Local Pension Board members do not have a seat on the LPFA Board. However, Local Pension Board members are encouraged to attend Part 1 Board Meetings.</p>
<p>Representation</p> <p>a) That all key stakeholders are afforded the opportunity to be represented within the main or secondary committee structure. These include :-</p> <p>i) employing authorities (including non-scheme employers, eg, admitted bodies);</p> <p>ii) scheme members (including deferred and pensioner scheme members),</p> <p>iii) where appropriate, independent professional observers, and</p> <p>iv) expert advisors (on an ad-hoc basis).</p>	<p>Fully compliant.</p> <p>Members of Local Pension Board do not have a seat on the LPFA Board however there is representation via feedback provided to the Business and Administration Committee which in turn reports to the LPFA Board.</p> <p>i) Employer representatives are selected from LPFA's three main employer groupings - London's Local Government, Higher Education sector and admitted bodies/charities.</p> <p>ii) Member representatives are selected from the active, pensioner and deferred membership.</p> <p>iii) All Board meetings are held in public and members of the public in attendance are provided with copies of all public reports.</p> <p>iv) Expert advisors such as lawyers</p>

	<p>or actuaries are invited to attend Board on an ad hoc basis.</p>
<p>b) That where lay members sit on a main or secondary committee, they are treated equally in terms of access to papers and meetings, training and are given full opportunity to contribute to the decision making process, with or without voting rights.</p>	<p>Fully compliant.</p> <p>The Board Secretary provides support to the LPFA Board, Standing Committees and the Local Pension Board.</p> <p>The same regulations apply in terms of access to papers and meetings to all formal meetings.</p> <p>LPFA provides effective induction and training to members of the Board/Standing Committees/Local Pension Board.</p> <p>The Local Pension Board reports back to Business and Administration Committee. An Independent Chair (without voting rights) reports back to the LPFA Board on an annual basis.</p>
<p>Selection and role of lay members a) That committee or panel members are made fully aware of the status, role and function they are required to perform on either a main or secondary committee.</p>	<p>Fully compliant.</p> <p>This is covered by various regulations included in the Constitutional Document:</p> <ul style="list-style-type: none"> - LPFA Standing Orders - Matters reserved for decision by the Board - Terms of Reference of the Standing Committees - The LPFA Local Pension Board Terms of Reference
<p>b) That at the start of any meeting, committee members are invited to declare any financial or pecuniary interest related to specific matters on the agenda.</p>	<p>Fully Compliant</p> <p>Members of Board, Standing Committees, and Local Pension Board comply with:</p> <ul style="list-style-type: none"> - The Code of Conduct for Members - Conflicts Policy
<p>Voting a) The policy of individual administering authorities on voting rights is clear and transparent, including the justification for not extending voting rights to each body or group represented on main LGPS committees.</p>	<p>Fully compliant.</p> <p>The Authority's policy on voting is laid out in Standing Orders which are incorporated in the Constitutional Document which is available via the LPFA's website.</p>
<p>Training / Facility / Expenses a) That in relation to the way in which statutory and related decisions are taken by the administering authority, there is a clear policy on training, facility time and</p>	<p>Fully compliant</p>

reimbursement of expenses in respect of members involved in the decision-making process.	
b) That where such a policy exists, it applies equally to all members of committees, sub-committees, advisory panels or any other form of secondary forum.	Fully compliant
c) That the administering authority considers the adoption of annual training plans for committee members and maintains a log of all such training undertaken.	Fully compliant
Meetings	
a) That an administering authority's main committee or committees meet at least quarterly.	Fully compliant
b) That an administering authority's secondary committee or panel meet at least twice a year and is synchronised with the dates when the main committee sits.	Fully compliant
c) That an administering authority who does not include lay members in their formal governance arrangements, provide a forum outside of those arrangements by which the interests of key stakeholders can be represented	Fully compliant Engagement with employer and member representatives is achieved via the LPFA Local Pension Board, the annual Fund Member Forum and the annual Employer forum
Access	
a) That subject to any rules in the councils constitution, all members of main and secondary committees or panels have equal access to committee papers, documents and advice that falls to be considered at meetings of the main committee.	Fully compliant All members of Local Pension Board are encouraged to attend and have access to Part 1 Board papers. In support of its core functions the Local Pension Board may make a request for information to the LPFA Business & Administration Committee, via the Director of Pensions.
Scope	
a) That administering authorities have taken steps to bring wider scheme issues within the scope of their governance arrangements	Fully compliant
Publicity	
a) That administering authorities have published details of their governance arrangements in such a way that stakeholders with an interest in the way in which the scheme is governed, can express an interest in wanting to be part of those arrangements.	Fully compliant

Revised 7th October 2010

Factually updated by CMT in August 2013 and June 2014

Revised 28th May 2014, factual changes approved by CMT on 17th June 2014

Revised 22nd April 2015

Revised 7th May 2015 by LPFA's Board following the implementation of the Local Pension Board. Consulted – no comments received.